

Generali Life CEO in Thailand on Building its Proposition and Being 100% Customer-Centric

Bundit (Kenny) Jiamanukoonkit, Country Manager and Chief Executive Officer of Generali Thailand, is a leadership guru who has been propelling the company forward in the high-growth life insurance business in a country that, nevertheless, boasts a daunting number of competitors. He met with Hubbis in early March to elucidate his vision of the life insurance proposition for Thai people, and to define both the market and Generali's current and planned positioning. A self-professed fitness aficionado who, when time permits, awakes at 4am each morning to ensure his readiness for a marathon. He is also a devoted family man with two young children who has a strong belief in the value of community. His values and dedication are certainly invaluable traits at any time, and especially as the world of life insurance and investments grapple with these uncertain times.



Generali Thailand is more than merely its core business of life insurance, as the firm also spans accident and health (A&H). “Life insurance is our key business, for which we offer ordinary life protection, entire life protection, annuity solutions, group employee benefits and unit-linked policies, and A&H - which is a natural link and extension to that coverage,” he begins. “As we are a part of the worldwide Generali Group, one of the largest insurers in the world, we are also keen to strengthen our general insurance portfolio as well.”

Focusing on the core life business, Kenny explains that the firm has multiple distribution channels serving different segments. However, the main channel is bancassurance for the individual policy and unit-linked. “Our main bank partner, Kiatnakin Bank, is targeting the mass-affluent segment with investments of around USD100,000 up to the affluent segment. Then, there is the high net worth segment as well,” Kenny comments.

THE ESSENTIALS OF LIFE

Kenny states that life insurance is no luxury; it is a necessity, including for estate management and the transition of wealth to the next generations. “Unit-linked is very popular among the mass affluent, particularly if they are emerging type of individual within this segment. As they are young, the cost of the premiums is a lot lower, indeed cheap, at that stage as they are accumulating wealth,” he reports. “Insurance costs rise with age, so this is a perfect match with this trend in Thailand, where the mass affluent class is growing very

rapidly, and their wealth has been rising robustly. Moreover, the HNW and ultra-wealthy segments are growing apace, with most of those

customers in the 35- to 50-year-old range, which is considered quite young on a comparable basis with other countries.”

Key Priorities for Generali Thailand

Digital engagement is Kenny’s priority. “In every aspect of our activities, people do not want to spend time on the phone or with paper,” he comments. “They want online, or smartphone access to details of their policies, including premium dates, coupon dates and levels of sums insured, as some clients want to increase those sums. It is not only about client acquisition; it is about ease of access and information for existing clients.”

He also explains that Generali is Thailand’s the number one firm in direct marketing through Facebook, with whom the firm signed a Memorandum of Understanding (MoU). “We represent a great example of working with them for sales. We are a leader for insurance in this regard, but also for almost any industry here, across any business category. Facebook’s ads give us leads, and we contact those potential clients, which leads to new customers, new policies. Then, we leverage digital usage to give customers rapid response times, so they can digitally open the business with us, and we can be both fast and responsive.”

Agency, he reports, is still the key distribution method because insurance products are “sold,” and many customers expect personalised services and relationships. Agents can serve customers well in these aspects. “Accordingly, agency distribution is my priority; we still believe in that traditional channel, but they need to be more advanced, they need to be able to advise on unit-linked, and they need to utilise digital efficiently as well. We, therefore, want to further build and refine the agency, so that we represent a really strong group of full-time professionals. We have 2,000 agents today, but we want more, and we want to enhance their overall quality.”

He will achieve that through a regionwide Generali initiative called ROAR, which stands for Recruiting, Onboarding, Activation and Retention.

His third priority is to achieve greater operational efficiency. “We want to be able to service our customers faster and better, but also more cost-efficiently for the company. So, we are refining our technologies and our processes to achieve that. When you use digital, it is not about using digital to replace what you do today, but also to reinvent what you do today.”



BUNDIT (KENNY) JIAMANUKOONKIT
Generali Thailand

Kenny explains that Thai customers are permitted to buy offshore life solutions, for example, through institutions in Singapore, Hong Kong or elsewhere. “However, the vast majority of our customers do not have access to those offshore solutions. Most prefer not to conduct their policies in foreign currency, as they need protection locally in the event of problems. The law here does not protect them for their offshore policies, of course,” he added.

ENDOWMENT POLICIES OUT OF THE PICTURE

As to the policies recently preferred in Thailand, Kenny reports that the endowment-guaranteed product was very popular, but with the interest rate coming down so low, every insurer is now closing that route. He says “For example, we no longer want to offer guaranteed endowment products, as the risks are now too high. This was a serial premium policy with capital back at the end plus some additional cash benefit guaranteed, and the product was anywhere up to even 50 years.

Getting Personal with Bundit (Kenny) Jiamanukoonkit

Kenny was born in Bangkok but grew up down the coast of about 125 kilometres east of Bangkok in Rayong. He completed a BSc in Computer Science at Srinakharinwirot University, before moving to the US for his MBA in Wichita, Kansas.

His first job back in Thailand was in life insurance industry, but it was for less than a year. Then, he moved into sales function for a real estate developer, became a general manager of a garments company, and moved back to the insurance industry where he has spent more than two decades building his career in the industry.

Married with two children aged 12 and 10 years old, he spends his spare time with his family and is a fan of keeping fit as he jogs regularly and attends body-weight training three times a week. “I even get up at 4am in the morning if I have time for longer sessions, but only if I have the energy, which of course is not always the case,” he said.

Golf is another favourite pastime of his, especially when he has time to head to his favourite golf course, Black Mountain in Hua Hin. It is known both for the quality of its layout and its great difficulty.

Outside of working hours, the family loves to travel, e.g. to Japan for the food and skiing. “We stay in Tokyo and take the bullet train for about an hour to the mountains. It is wonderful. Moreover, it is not so expensive as you might think – they have this three-day pass. With the pass, we have more time to enjoy Tokyo for a few days of walking and general sightseeing, and of course for the amazing food.”

The market is now really only whole life insurance, unit-linked products and participating policies.”

He elaborates on the participating policies, explaining that they offer a minimum guarantee, perhaps 0.5% to 1% per annum, and then potentially a dividend on the investments held by the insurers. “In many ways,” he says, “it is similar to the guaranteed endowment, but we just don’t guarantee high returns anymore, no company can afford to do so today.”

UNIT-LINKED MATTERS

In this unprecedented time for the world’s financial markets, Kenny believes in the long-term value of investment-linked products. “With interest rates so low and still falling, there is little point in buying much other than unit-linked,” he comments, “but in today’s incredibly stressed global market conditions, we simply do not know just now. However, I strongly believe that the market will come back. In more normalised

conditions, then the unit-linked is most appropriate, because at least clients have the chance of upside, and it is considerably cheaper than even buying normal whole life policies. Moreover, competition has been so intense on unit-linked policies that charges have come down to levels more normal for mutual funds, sometimes even lower, and of course many offer no front-end fee.”

“Actually, we don’t want to penalise them; we want to give flexibility and ease of return as well. It gives the clients more peace of mind when they take out the policies that they will not be unduly penalised, for example, if their circumstances change. That has helped our portfolio to keep growing very rapidly, and the funds have performed rather well, even in difficult market conditions. And that creates a feeling of positivity amongst the clients, and even now amidst the market crash, many people want to buy. Insurance is not just about protection, it’s about wealth accumulation as well. We are all very focused on that.”

He adds that the curation of the funds by Generali is naturally determined by best-in-class principles and past performance. “We can also include foreign assets if the vehicles are available publicly in Thailand,” he reports. “For us, such finds must be in the top quartile of performers and

with a track record going back several years.”

ELEMENTS OF CONTROL

He notes that the client can also have a say on what funds are in any unit-linked policy they take out. “We do not even charge any fees for clients when they swap around amongst mutual funds in the holdings alongside the policy,” he reports.

Although he explains that Generali is not one of the big players in the Thai life assurance market, the firm’s penetration of the unit-linked segment is impressive, both in terms of the percentage of the new policies it represents and as a percentage of the overall new unit-linked business in the country.

YOUR FLEXIBLE FRIEND

Kenny also explains that Thai clients often cash in policies, even unit-linked policies. “Actually,” he says, “we don’t want to penalise them; we want to give flexibility and ease of return as well. It gives the clients more peace of mind when they take out the policies that they will not be unduly penalised, for example, if their circumstances change. That has helped our portfolio to keep growing very rapidly, and the funds have performed rather well, even in difficult market conditions. And that creates a feeling of positivity amongst the clients, and even now amidst the market crash, many people want to buy. Insurance is not just about protection, it’s about wealth accumulation as well. We are all very focused on that.”

His final word is that the life insurance business is all about value creation for the end customers. “This is about protection and potential,” he explains. “The better we perform, the easier it is to sell. Any partner we work with should be building relationships and value for the longer-term, giving objective and good advice, and promoting the best products and solutions for the right clients. That is exactly our approach. There are 19 life assurance players in Thailand, and we are committed to ensuring that Generali stays on top, in term of the quality and integrity in this business.” ■

